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SUBJECT: SECOND G-8 NONPROLIFERATION DIRECTORS' GROUP
(NPDG) MEETING IN BERLIN, MARCH 30, 2007

REF: A. BERLIN 791

[1](#)B. BERLIN 376

[11.](#) (SBU) Summary: The second G-8 Nonproliferation Directors Group (NPDG) meeting under the German G-8 Presidency was held March 30 in Berlin. The delegates discussed the need for Germany to produce soon a draft statement on nonproliferation for the June G-8 Summit. The delegates also agreed that the Nuclear Nonproliferation Treaty (NPT) Preparatory Committee (PrepCom) should avoid wrangling over procedural issues. Concerning nuclear fuel cycle issues, the delegates agreed on the need to convince potential users that proposals on enrichment and reprocessing (ENR) are not intended to deprive them of nuclear fuel for peaceful uses. The delegates were very interested in the status of U.S.-India talks on the proposed 123 Agreement on civil nuclear cooperation. The delegates also discussed making progress in the Nuclear Suppliers' Group, Conference on Disarmament, The Hague Code of Conduct, the Chemical Weapons Convention (CWC), the Biological Weapons Convention (BWC), UNSCR 1540 implementation, and the IAEA Additional Protocol. Lastly, Germany appealed to the U.S. and Russia to invite EU institutions to participate in Global Initiative to Combat Nuclear Terrorism activities. End summary.

Draft Statement for Heiligendamm G-8 Summit

[12.](#) (SBU) German Chair Ruediger Luedeking, MFA Deputy Commissioner for Arms Control and Disarmament, opened the meeting by discussing a draft statement on nonproliferation to be issued at the June G-8 Summit in Heiligendamm. He said the goal is for a succinct Summit statement that avoids repetitions from previous years' statements. He said the German Government will circulate the draft to the other G-8 partners and solicit input prior to the scheduled April 24 NPDG meeting (Note: Which was later cancelled. End note.)

NPT PrepCom Meeting

[13.](#) (SBU) Luedeking then turned to the agenda items, beginning with a discussion of the NPT PrepCom, scheduled for April

30-May 11 in Vienna. The delegates agreed a good start is important for the current NPT five-year review cycle. DAS Andrew Semmel urged setting the PrepCom agenda right away instead of allowing protracted debate on procedural issues, such as happened at the 2005 Review Conference (RevCon). DAS Semmel also cautioned that Iran could try to hijack the PrepCom and pit the Nonaligned Movement (NAM) members against the nuclear supplier states. Luedeking urged the G-8 partners to support PrepCom Chairman Yukiya Amano's approach used in previous RevCons, including the 2000 meeting, as models for conducting work at the next RevCon. DAS Semmel noted the U.S. does not consider some previous RevCons as ideal models. In particular, the U.S. is concerned about the use of the 2000 RevCon, since the U.S. no longer supports all of the 13 steps toward nuclear disarmament agreed to at that time. DAS Semmel urged the NPT to set a more balanced agenda and to produce a more balanced statement, said the U.S. is ready for discussion of Article VI concerning disarmament, and called for more attention to Article X concerning NPT withdrawal. He said the U.S. shared talking points with Amano and will discuss them and other issues at the PrepCom, despite Iran's reluctance to consider Article X. Luedeking, summarizing the discussion, said Article X will be important at the PrepCom, that a focus on the peaceful use of atomic energy should be emphasized, that outreach work should be done to convince the NAM signatories that our approach to Article IV is not designed to deny them nuclear technology, and that Iran should not be allowed to radicalize the NAM members.

Multilateral Approaches to the Nuclear Fuel Cycle

¶4. (SBU) After the NPDG partners discussed this agenda item,

Luedeking summarized the discussion as follows: the G-8 partners have broad consensus for giving assurances for the nuclear fuel cycle, but nonproliferation is the driving concern. The G-8 partners have made a number of proposals to the IAEA on this issue, but are now waiting for the IAEA to advance them to the Board of Governors in June. Because it is an important and sensitive issue for the NAM, the G-8 partners should engage potential users to convince them the proposals are not aimed at depriving them of their right to the peaceful use of nuclear fuel. In addition, the delegates agreed Iran would likely try to manipulate discussion of the nuclear fuel cycle to its advantage. DAS Semmel noted the overlap among the assured nuclear fuel supply proposals under evaluation by the IAEA, but he also said it is not contradictory to pursue both nonproliferation and the goals of Article IV on the peaceful uses of atomic energy.

NSG Issues, U.S.-India Talks on Civil Nuclear Cooperation

¶5. (SBU) DAS Semmel updated the NPDG delegates on the status of U.S.-India talks on civil nuclear energy cooperation. Luedeking said because Germany will chair the NSG in 2008, he is interested in the sequence of events for the proposed 123 Agreement and other steps in the process. He also asked about the conditions and certifications under the Hyde Act, whether the conditions are being met, and, specifically, about the issue of perpetual safeguards and what would happen if India conducted any nuclear tests. DAS Semmel said the U.S. and India have achieved a single bracketed text for the 123 Agreement at the most recent negotiating session and now clearly understand which points still need to be negotiated. One reason for delay in the 123 Agreement process is the domestic sensitivities in India, DAS Semmel said. The U.S. position is that the agreement should provide for safeguards in perpetuity. If India detonates a nuclear device, U.S. law would require an end to civil nuclear cooperation and the right to repossess the nuclear technology provided to India. This is a point of contention with India, DAS Semmel noted. Another point of contention concerns the U.S. ban on transferring nuclear fuel enrichment and reprocessing (ENR)

technology to countries that do not already possess it, because India wants advance consent rights on reprocessing and access to reprocessing technology. DAS Semmel also said India is committed to the FMCT, even though India and the U.S. may differ on FMCT policy. The President will have to certify to Congress that India is fulfilling its FMCT commitment as well as make other certifications prior to Congressional consideration of the agreement.

¶6. (SBU) Luedeking discussed preparations for the April 16-18 NSG Consultative Group Meeting in Cape Town. Germany passed out a Point of Contact Note, NSG(07)14, containing a German proposal, and asked for comments. Luedeking said the proposal's goal is to create a new status between NSG members and non-adherents to ensure that as nuclear technical expertise spreads to new recipients that are not NSG members they will still follow the NSG Guidelines. The Canadian and Italian delegates supported the proposal. The French delegate cautioned against creating a new category for now because of concern that the NSG would be charged with applying double standards. Germany asked G-8 partners to try to reach agreement in principle on the concept of their proposal in Cape Town while leaving details to be worked out later.

¶7. (SBU) Luedeking queried the U.S. on the prospects that it will accept within the NSG a criteria-based approach to ENR transfers. DAS Semmel repeated the U.S. stance of opposing ENR transfers to countries that do not already possess the technology. After some comments, Luedeking said the issue needs to be resolved. (Note: None of the partners raised dropping the rolling one-year moratorium on ENR transfers from this year's G-8 Summit Statement, as happened in previous NPDG meetings. This development may have been due to the absence of the normal Canadian representative, who had pressed this issue most vigorously in past meetings. End note.)

Conference on Disarmament

¶8. (SBU) Luedeking noted that at its March 30 meeting the CD was unable to agree on the P-6 proposal for organizing work in Part II of the 2007 session because several delegations had lacked instructions. The CD members agreed in principle on an intersessional meeting in late April, but were unable to agree on a date. The Japanese delegate urged the G-8 to demarche CD members jointly, urging support for the P-6 proposal. Japan circulated draft talking points and solicited input.

¶9. (SBU) Russian Delegate Anatolij Antonov said Russia wants the CD to make some progress. He said Russia has demarshaled China on the FMCT and is still waiting for a response. Concerning the proposed G-8 talking points, Antonov said Russia considered them as mis-characterizing the P-6 proposal. He urged the G-8 to put the priorities in the first paragraph. Russia's priority, he noted, is outer space and not the FMCT.

¶10. (SBU) Luedeking suggested the NPDG review the talking points, keeping in mind Russia's points about not quibbling over priorities. He said Germany would circulate the draft talking points, gather the NPDG input, revise them, and issue a G-8 demarche to the CD members. (Note: After circulating the draft, France could not agree to the text of a joint demarche, so eventually Germany, as G-8 President, made it unilaterally. End note.)

Hague Code of Conduct (HCOC)

¶11. (SBU) Luedeking said the HCOC is an instrument with modest objectives and diminished effectiveness because of a lack of authority and non-participation by countries such as China and India. Antonov voiced Russia's concerns about the

HCOC, saying 70 percent of the information provided to the HCOC comes from Russia and other countries were not committed enough to the HCOC. Luedeking, in turn, noted three issues for Germany: (1) the lack of participation, indicating declining interest in the HCOC, (2) the need to convince other countries, such as China and India, to participate, and (3) the importance of compliance with the HCOC's confidence-building measures. Luedeking also urged the G-8 to conduct more outreach activities and to consider the production of an annual report.

Chemical Weapons Convention and Biological Weapons Convention

¶12. (SBU) Germany circulated a paper on the 10th anniversary of the CWC. Russian Delegate Antonov and DAS Semmel reported on the destruction to date of chemical weapons stocks of their respective countries. Both also noted the difficult prospect of destroying all CW stocks by the 2012 deadline. All delegates voiced support for the CWC. Luedeking, noting the difficulty of CWC verification, said complacency could become a problem. Concerning the BWC, Luedeking said the EU will provide input to the BWC intersessional meeting. Germany circulated a report on the G-8 Forensic Epidemiology Workshop held March 13-15, 2007, in London. Antonov said Russia's position was that epidemiology should be excluded from the G-8 Summit Statement.

Regional Issues: Iran and North Korea

¶13. (SBU) Luedeking said Iran would be discussed at the April 3 Political Directors' meeting in Berlin. Saying the situation in Iran is changing, Luedeking noted that G-8 partners could not agree on Summit Statement language until later. The British delegate said the UK is grateful for G-8 support over the Iranian seizure of British sailors and marines. He said the UK is not linking the detention to the

UNSCR 1747 sanctions on Iran.

¶14. (SBU) Japanese Delegate Takeshi Nakane said Japan regretted that the Six Parties had been unable to enter talks yet over freezing the DPRK's nuclear facilities. Germany briefed the partners on a March 6-8 EU Troika visit to P'yongyang. During that visit, the DPRK said it favored complete de-nuclearization of the Korean Peninsula so long as it receives assurances from the U.S. The DPRK also said it would like better relations with the EU. Luedeking noted that the EU should not be expected to contribute funding as part of any settlement with the DPRK since the EU was not at the table, but that the EU would continue to support the Six-Party talks diplomatically. French Delegate Carre said if the agreement progresses, it will be a positive signal to Iran to end its nuclear activities outside of IAEA safeguards.

UNSCR 1540, IAEA Safeguards, and GI

¶15. (SBU) Luedeking discussed G-8 demarches on UNSCR 1540 implementation and the IAEA Additional Protocol. He noted that universalization is the goal for both. Luedeking reported Germany had delivered two sets of demarches on implementing UNSCR 1540, with some countries responding favorably. Luedeking also said Germany would deliver demarches on the Additional Protocol. DAS Semmel suggested a G-8 Foreign Ministers' letter, recalling how effective the U.S.-led 2004 Foreign Ministers' letter on IAEA Safeguards was. To Luedeking's objection that too many Foreign Ministers' letters would diminish their impact, DAS Semmel advised sending a letter only to countries which had not signed the Safeguards and/or Additional Protocol. DAS Semmel also observed the work for making demarches on universalization does not have to be completed by the G-8 Summit but could be spread throughout 2007.

¶16. (SBU) Luedeking urged the U.S. and Russia to invite EU institutions to participate in Global Initiative activities. He said inviting EU institutions would not set a precedent for inviting other international organizations. Luedeking also maintained only certain institutions, namely EURATOM, had the necessary competencies to oversee nuclear activities in the EU member states. Russian Delegate Antonov observed that although every EU member state beyond the original invitees had been asked to join individually, only Greece had accepted. French Delegate Carre agreed that although individual EU states should be more active the GI would be more effective if the appropriate EU institutions could participate. The EU delegate said a paper could be prepared on EU competencies relevant to the GI and making the case for EU participation in the GI.

¶17. (U) This cable was coordinated with DAS Semmel subsequent to the delegation's departure.

TIMKEN JR